

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
KATIE GEE,	:	VIOLATIONS:
a/k/a “Katie Basilovecchio,”	:	18 U.S.C. § 1344 (bank fraud -
MICHAEL BASILOVECCHIO	:	1 count)
	:	18 U.S.C. § 1014 (false statement
	:	on loan application - 1 count)
	:	18 U.S.C. § 1341 (mail fraud -
	:	3 counts)
	:	18 U.S.C. § 2
	:	(aiding and abetting)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Alternative Lending & Leasing Corporation (“Alternative”) was a business located in Upper Darby, Pennsylvania. Defendant KATIE GEE, a/k/a “Katie Basilovecchio,” was identified in corporate documents as the President of Alternative. Alternative was operated by Michael Basilovecchio, defendant KATIE GEE’s husband. Alternative provided financing to customers purchasing used motor vehicles.

2. S. Pennington Bank Car Corporation (“S. Pennington”) was a business with offices located in Upper Darby, Pennsylvania and engaged in the business of selling used motor vehicles. S. Pennington was operated by Michael Basilovecchio.

3. Farmers First Bank was a financial institution with offices located in Lancaster, Pennsylvania, and elsewhere, and with deposits insured by the Federal Deposit Insurance Corporation, Certificate No. 7579.

4. Between in or about September 2002 and in or about April 2003, in the Eastern District of Pennsylvania and elsewhere, defendant

**KATIE GEE,
a/k/a “Katie Basilovecchio,”**

knowingly executed, and attempted to execute, a scheme to defraud Farmers First Bank and to obtain moneys owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations and promises.

THE SCHEME

5. In or about September 2002, defendant KATIE GEE applied to Farmers First Bank (“the Bank”) for financing to purchase from S. Pennington a 2002 GMC Yukon. In connection with the application, the Bank asked defendant GEE to provide information regarding her residence, employment, income, and liabilities.

6. In an application for financing dated September 28, 2002, defendant KATIE GEE falsely represented to the Bank that her current income was in excess of \$100,000 from her employment as an assistant manager at Alternative.

7. Defendant KATIE GEE failed to disclose to the Bank that Alternative and S. Pennington were operated by her husband, Michael Basilovecchio.

8. Between on or about September 28, 2002 and on or about October 2, 2002, documents, including a Form W-2, Wage and Tax Statement for the year 2001, and payroll

statements for August 2002 and September 2002, were provided by Alternative to the Bank in support of defendant KATIE GEE's application for financing. These documents falsely represented that in 2001 defendant GEE earned over \$80,000 in wages and that her current gross pay in 2002 was approximately \$4,000 every two weeks. As defendant GEE then knew, her total earnings in 2001 from Alternative were less than approximately \$4,000 and in 2002 her current gross pay from Alternative was approximately \$400 every two weeks.

9. On or about October 8, 2002, defendant KATIE GEE falsely represented to the Bank that the vehicle was insured.

10. On or about October 9, 2002, defendant KATIE GEE received a check issued by the Bank in the amount of approximately \$38,300 payable to defendant GEE and S. Pennington and the check was negotiated.

11. In or about April 2003, defendant KATIE GEE caused the vehicle to be sold to a third party in Naples, Florida without the knowledge and consent of the Bank. No proceeds from the sale were provided to the Bank which suffered a loss of approximately \$38,300.

In violation of Title 18, United States Code, Section 1344.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One are incorporated here.
2. On or about September 28, 2002, in Lancaster, in the Eastern District of Pennsylvania and elsewhere, defendant

**KATIE GEE,
a/k/a “Katie Basilovecchio,”**

knowingly made and caused to be made to Farmers First Bank a false statement for the purpose of influencing the actions of Farmers First Bank upon a loan, that is, a loan for the purchase of a 2002 GMC Yukon automobile, in that defendant **KATIE GEE** submitted to Farmers First Bank an application falsely representing that her current earnings in 2002 were in excess of \$100,000 per year and that her current pay from her employment at Alternative Lending & Leasing was approximately \$4,000 every two weeks, when, as the defendant knew, in 2002 she was paid approximately \$400 every two weeks from Alternative Lending & Leasing and her annual pay was approximately \$9,500.

In violation of Title 18, United States Code, Section 1014.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraph 1 of Count One is incorporated here.
2. National City Mortgage Company (“National City”) was engaged in the business of providing mortgage financing and maintained offices in Miamisburg, Ohio and elsewhere. National City conducted business under the name of Commonwealth United Mortgage Company (“Commonwealth”) which maintained offices in Marlton, New Jersey and elsewhere.
3. Countywide Abstract Limited Partnership (“Countywide”) was engaged in the business of providing services relating to residential closings and maintained an office in West Chester, Pennsylvania.

THE SCHEME

4. In or about October 2002, defendants

**KATIE GEE,
a/k/a “Katie Basilevecchio,”
and MICHAEL BASILOVECCHIO**

devised and intended to devise a scheme to defraud and to obtain money and property from National City Mortgage Company, Commonwealth United Mortgage Company, and Countywide Abstract Limited Partnership by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

5. On or about October 1, 2002, defendants KATIE GEE and MICHAEL BASILOVECCHIO applied for financing in defendant GEE's name from National City in the amount of approximately \$300,200 in connection with the purchase of a property located in Chester Springs, Pennsylvania. In the application to National City, defendants GEE and BASILOVECCHIO falsely represented that defendant GEE was employed by Alternative and that her current monthly earnings in 2002 were approximately \$8,000. As the defendants then knew, defendant GEE's monthly pay in 2002 was approximately \$800.

6. In support of the application submitted to National City, defendants KATIE GEE and MICHAEL BASILOVECCHIO caused false and fictitious payroll documents to be provided to National City representing that defendant GEE's current earnings in 2002 from Alternative were approximately \$4,000 every two weeks.

7. Defendants KATIE GEE and MICHAEL BASILOVECCHIO failed to fully disclose to National City information regarding defendant GEE's liabilities, including an existing car loan from Farmers First Bank.

8. On or about October 10, 2002, defendant MICHAEL BASILOVECCHIO provided a verification of employment form to support the application for financing from National City which falsely represented that defendant KATIE GEE's current annual earnings through September 13, 2002 were approximately \$63,000 and that her past earnings exceeded approximately \$80,000 in 2000 and 2001.

9. On or about October 10, 2002, National City and Commonwealth issued a check in the amount of approximately \$304,000 to Countywide Abstract for the purchase of the property located in Chester Springs, Pennsylvania based upon the false and fraudulent

information provided by defendants KATIE GEE and MICHAEL BASILOVECCHIO.

10. On or about October 10, 2002 in West Chester, Pennsylvania, in the Eastern District of Pennsylvania and elsewhere, defendants

**KATIE GEE,
a/k/a “Katie Basilovecchio,” and
MICHAEL BASILOVECCHIO,**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by Federal Express, a commercial interstate carrier, according to the directions thereon, a package from Commonwealth United Mortgage Company in Marlton, New Jersey to Countywide Abstract Limited Partnership, in West Chester, Pennsylvania including a check in the amount of approximately \$304,000 in payment for the property located in Chester Springs, Pennsylvania.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraph 1 of Count One is incorporated here.
2. Wachovia Mortgage Company (“Wachovia”) was engaged in the business of providing mortgage financing and maintained offices in Raleigh, North Carolina, and elsewhere.
3. First Fidelity Title, Inc., (“First Fidelity”) was engaged in the business of providing title insurance and services relating to residential closings. First Fidelity maintained offices in Naples, Florida, and elsewhere.

THE SCHEME

4. Between in or about October 2002 to in or about November 2002, defendants

**KATIE GEE,
a/k/a “Katie Basilovecchio,” and
MICHAEL BASILOVECCHIO**

devised and intended to devise a scheme to defraud and to obtain money and property from Wachovia Mortgage Company and First Fidelity Title, Inc., by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

5. On or about October 18, 2002, defendants KATIE GEE and MICHAEL BASILOVECCHIO applied for refinancing from Wachovia in the amount of approximately

\$285,000 in defendant GEE's name in connection with a property located in Naples, Florida.

6. In the application submitted to Wachovia, defendants KATIE GEE and MICHAEL BASILOVECCHIO falsely represented that defendant GEE's current monthly earnings in 2002 from Alternative were approximately \$8,000.

7. In support of the application submitted to Wachovia, defendants KATIE GEE and MICHAEL BASILOVECCHIO caused false and fictitious payroll documents to be provided to support the claim that defendant GEE's current earnings in 2002 from employment at Alternative were approximately \$4,000 every two weeks.

8. Defendants KATIE GEE and MICHAEL BASILOVECCHIO failed to fully disclose to Wachovia information regarding defendant GEE's liabilities, including an existing car loan from Farmers First Bank.

9. On or about November 22, 2002, Wachovia forwarded approximately \$289,000 to First Fidelity for the refinancing of the Naples, Florida property.

10. On or about November 27, 2002, First Fidelity issued a payment to defendant KATIE GEE in the amount of approximately \$105,000.

11. On or about November 21, 2002 in Upper Darby, Pennsylvania, in the Eastern District of Pennsylvania and elsewhere, defendants

**KATIE GEE ,
a/k/a "Katie Basilovecchio," and
MICHAEL BASILOVECCHIO,**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by Federal Express, a commercial interstate carrier, according to the directions thereon, from First Fidelity Title, Inc., in Naples,

Florida to Alternative Lending & Leasing, 7323 West Chester Pike, Upper Darby, Pennsylvania,
a package containing the closing documents for the property located in Naples, Florida.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 10 of Count Four are incorporated here.
2. On or about November 29, 2002 in Upper Darby, Pennsylvania, in the Eastern District of Pennsylvania and elsewhere, defendants

**KATIE GEE,
a/k/a “Katie Basilovecchio,” and
MICHAEL BASILOVECCHIO,**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by Federal Express, a commercial interstate carrier, according to the directions thereon, from First Fidelity Title, Inc., in Naples, Florida to Alternative Lending & Leasing, 7323 West Chester Pike, Upper Darby, Pennsylvania, a package containing a check in the amount of approximately \$105,000.

In violation of Title 18, United States Code, Sections 1341 and 2.

A TRUE BILL:

GRAND JURY FOREPERSON

**PATRICK L. MEEHAN
UNITED STATES ATTORNEY**